



TENNESSEE DEPARTMENT OF HEALTH
DIVISION OF FAMILY HEALTH & WELLNESS
WIC VENDOR AGREEMENT
FOR PHARMACIES
FOR 2016 - 2018

TENNESSEE DEPARTMENT OF HEALTH

and

(Pharmacy Name)

for

AUTHORIZATION TO PARTICIPATE IN THE TENNESSEE WIC PROGRAM

WHEREAS, the Tennessee Department of Health and _____
(Pharmacy Name)
desire to enter into an agreement beginning on _____
(Month, Date, Year)
relating to participation in the Tennessee WIC Program.

NOW, THEREFORE, the parties hereby agree as follows:

I. THE TENNESSEE WIC PROGRAM AGREES:

- (1) to reimburse authorized pharmacies for Food Instruments (FIs) for therapeutic infant formulas and WIC-eligible nutritionals as specifically stated on the FI and that are properly negotiated according to this agreement and the WIC Vendor Handbook with the exception that Automatic Clearing House (ACH) payments will be made up to the allowed maximum dollar amount for FIs transacted above that amount;
- (2) to provide annual training and updated materials to at least one representative of the vendor to support their proper participation in the WIC Program;
- (3) to supply WIC Program changes to the vendor in writing; and
- (4) to use the same standards for vendor participation in the WIC Program for everyone regardless of race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

II. THE PHARMACY AGREES:

- (1) to transact FIs for therapeutic infant formulas and WIC-eligible nutritionals as specifically stated on the FI, that are within the manufacturer's product eligibility dates at the time FIs are transacted;
- (2a) to provide only therapeutic infant formulas and WIC-eligible nutritionals as specified on the FIs except as pertaining to clause (12a) of this section; presented only by program participants; only at the time of the transaction at the vendor's authorized location, and not to provide cash or credit (including rain checks) in exchange for FIs;
- (2b) to not allow refunds or exchanges for therapeutic infant formulas and WIC-eligible nutritionals provided, except exchanges for items that are defective, spoiled, or exceed their sell/use by date and only for the exact same brand, type and size approved item obtained and returned;
- (3a) to charge the WIC Program for therapeutic infant formulas and WIC-eligible nutritionals at the current price or less than the current price charged to all other customers, except that sales tax shall not be charged;

- (3b) to not charge the WIC Program for approved foods not received by program participants;
- (4) to properly transact and complete FIs on the vendor's premises during their valid month, to submit FIs for redemption within thirty (30) days from the last day valid, to abide by procedures of the WIC Program and WIC Vendor Handbook, in order not to abuse, misuse, or defraud the WIC Program;
- (5) to properly train and inform store employees of the firm's obligations to the WIC Program, to be accountable for the actions of owners, officers, managers, agents, and employees, and to have in place an effective policy and program to prevent trafficking, which is the exchange of FIs and Cash Value Vouchers (CVVs) for cash, and, in addition, the vendor agrees to accept training offered by the WIC Program;
- (6) to allow any authorized WIC Program representative to inspect FIs and all program related records on hand at any reasonable time and place at the discretion of the WIC Program and to withhold deposit of FIs for a period not to exceed seven (7) days upon request of an authorized WIC Program representative (since pharmacies are not authorized to transact (CVVs) for fresh and frozen fruits and vegetables, none should ever be accepted or deposited for payment by an authorized pharmacy);
- (7a) to produce, upon request of an authorized WIC Program representative, bills of lading or invoices for a period not to exceed the previous ninety (90) days and/or pertinent inventory records used for federal tax reporting purposes, as proof of purchase of merchandise represented as being provided to program participants by redeemed FIs. These records shall be original on commercially printed invoice and/or receipt paper, readable and presented in a logical way;
- (7b) to produce upon request of an authorized WIC Program representative, annual food sales information based on sales of all the USDA Supplemental Nutrition Assistance Program (SNAP) eligible foods as clarified in the WIC Vendor Handbook or, if requested, the "Self Declaration" for those pharmacies without sales information to submit;
- (7c) to accurately complete and return the Therapeutic and WIC-Eligible Nutritionals WIC Grocer Price Report by the fifth day of the first month of each calendar quarter, and to update price changes, both increases and decreases, as necessary;

(The following clauses, 8a through 8c are applicable to those pharmacies who are SNAP authorized. Such pharmacies must provide the WIC Program their current SNAP authorization number and are subject to the federal requirements contained in these clauses.)

- (8a) to participate in USDA SNAP and acknowledge that the WIC Program shall disqualify a vendor who has been disqualified from USDA SNAP, and there shall be a Civil Money Penalty (CMP) imposed in lieu of disqualification due to inadequate participant access when solely determined by the WIC Program;
- (8b) to acknowledge that a CMP imposed by USDA SNAP in lieu of disqualification due to inadequate participant access may result in disqualification from the WIC Program;
- (8c) to acknowledge that disqualification from the WIC Program may result in disqualification as a retailer in USDA SNAP, and such disqualification may not be subject to administrative or judicial review under USDA SNAP;
- (9a) to acknowledge that the WIC Program shall permanently disqualify a vendor convicted of trafficking in FIs and CVVs or selling firearms, ammunition, explosives, or controlled substances, as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802), in exchange for FIs and CVVs, and that a vendor shall not be entitled to receive any compensation for revenues lost as a result of such violations;
- (9b) to acknowledge that, upon one incidence of investigative finding of trafficking, the WIC Program shall disqualify a vendor for trafficking in FIs and CVVs or selling firearms, ammunition, explosives, or controlled substances, as defined in (9a) above;
- (9c) to acknowledge that, upon one incidence of investigative finding of illegal sales, the WIC Program shall disqualify a vendor for conducting illegal sales, which is the exchange of FIs and CVVs for alcohol, alcoholic beverages, or tobacco products;
- (10) to not charge Program participants or attempt to seek reimbursement from Program participants for FIs not paid or partially paid by the WIC Program;
- (11) to acknowledge that Program participants may not be discriminated against based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA;

- (12a) to provide suitable hours, visibly posted and adhered to, and environment for participant access, and to offer Program participants any courtesies offered other customers, including, but not limited to: bonus cards, cents off coupons, multiplying of coupon values, and additional products for free;
- (12b) that vendors deriving more than fifty (50) percent of their annual food revenue from WIC FIs are prohibited from offering incentive items to WIC participants and if found violating this provision shall not receive payment from the WIC Program, as clarified in the WIC Vendor Handbook;
- (13) to serve as or to designate a responsible contact(s) person for this establishment's WIC Program procedures and to inform the WIC Program of management changes;
- (14) to authorize the Tennessee Department of Revenue to disclose the vendor's revenue figures, as applicable to the collection of sales tax, to the WIC Program for the purpose of administering the WIC Program;
- (15) to grant the WIC Program the right to collect any claims (due to overcharges), as assessed in the negotiation of a FI due to error, negligence, or fraud;
- (16) to notify an authorized WIC Program representative of changes of name, location, ownership, management, and business structure or ending of operations;
- (17a) to acknowledge that patterns of non-compliance with clauses (2a), (2b), (3a), (3b), and (15) of this section of this agreement shall result in disqualification from the WIC Program. (The vendor shall be warned following the first act of non-compliance, unless such notification would compromise an investigation or as further clarified in the WIC Vendor Handbook);
- (17b) to acknowledge that non-compliance with clauses (1), (4) through (7c) and (10) through (12b) of this section of this agreement may result in disqualification from the WIC Program. (The vendor shall be warned following the first act of non-compliance that could result in a pattern of non-compliance, unless such notification would compromise an investigation or as further clarified in the WIC Vendor Handbook.);
- (18) to comply with this agreement and federal and state statutes, regulations, policies, and procedures governing the WIC Program, including changes made during the agreement period;
- (19) to comply with the vendor selection criteria throughout the agreement period, including any changes. Using current criteria, the WIC Program may reassess the vendor at any time during the agreement period and terminate the agreement if the vendor fails to meet the current criteria; and
- (20) to acknowledge that decisions regarding sanctions resulting from violations of the WIC Program are based on the Vendor Sanction Procedures as presented in the WIC Vendor Handbook.

III. BOTH PARTIES AGREE AS FOLLOWS:

- (1) This agreement shall be terminated, if ownership of the vendor's business changes, if the WIC Program identifies a conflict of interest as defined by applicable state laws, regulations, and policies, between the vendor and any WIC Program staff, or may be terminated by either party for negligence, fraud, abuse, violation of the agreement, or for any other reason after providing not less than fifteen (15) days advance notice, unless otherwise stated within the WIC Vendor Handbook.
- (2) This agreement shall be immediately terminated, if it is determined that the vendor has provided false information on the Vendor Application for Authorization to Participate in the Tennessee WIC Program.
- (3) The vendor agreement does not constitute a license or a property interest as clarified in the WIC Vendor Handbook.
- (4) A vendor who commits fraud or abuse of the Program is liable to prosecution under applicable Federal, State or local laws. Under Section 246.12 of the federal regulations, those who have willfully misapplied, stolen or fraudulently obtained WIC Program funds shall be subject to a fine of not more than \$25,000 or imprisonment for not more than five (5) years or both.
- (5) The WIC Program has the sole right to determine if inadequate participant access exists and impose a Civil Money Penalty (CMP) in lieu of disqualification regarding clauses (9a), (9b), (9c), and (17a) of "THE VENDOR AGREES" section, except where sanctions are issued for the third or greater time.
- (6) The WIC Program has the sole right to determine if inadequate participant access exists and impose a CMP in lieu of disqualification regarding clause (17b) of "THE VENDOR AGREES" section.

- NOW, THEREFORE, I have read and do understand and agree to the above terms and conditions. The undersigned represents that he/she is either the sole proprietor of the firm or is legally authorized to enter in this agreement on behalf of the ownership of the firm.

Signature of Regional Office Designee	Title	Date
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Phone Number

VENDOR STAMP: